

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE BETHLEHEM AUTHORITY

February 20, 2014

The regular meeting of the Board of Directors of the Bethlehem Authority (Authority) was held on February 20, 2014 in Room B-504, City Administration Building, 10 E. Church Street, Bethlehem, PA and called to order at 4:30 PM by Mr. Vaughn Gower, Chairman. The following were also in attendance:

- Mr. John Tallarico, Vice Chairman
- Mr. John Abel, Assistant Secretary/Treasurer
- Mr. James Broughal, Esq., Solicitor
- Mr. Stephen Repasch, Executive Director
- Ms. Sandra Reppert, Administrative Assistant
- Mr. Daniel Meixell, Special Police Officer

INTRODUCTION OF NEW BOARD MEMBER

V. Gower introduced Mr. John Abel as the newest member on the Authority Board. J. Abel said he looks forward to serving on the Board. He was appointed by former Mayor Smith to serve on the committee that approved the Penn Forest Dam. He has been interested in the watershed ever since.

RECOGNITION OF VISITORS

V. Gower recognized and welcomed the following visitors:

- Bethlehem Press
- Mr. Gene Auman, City of Bethlehem Deputy Controller
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources

COURTESY OF THE FLOOR

S. Reppert read the following message she received from Mr. Stephen Antalics: "The Bethlehem Authority has made him feel like the Maytag Man. I believed it could not get any better. But it will. Why? Because a gentleman named Dr. Jack Abel has been appointed to the Board. Enough said."

CHAIRMAN

Operating Authority. V. Gower reported that Authority representatives met with City Councilman Recchiuti in January on the progress of the operating authority evaluation. The remaining questions need to be answered by City Administration and not the Authority.

EXECUTIVE DIRECTOR

Forest Management Report. S. Repasch reported he will be attending a dinner meeting next Tuesday hosted by representatives from Blue Source and The Nature Conservancy. They will be presenting the Working Woodlands Program to other people and municipalities from throughout the state. (Palmerton Hunting Club still does not appear to be interested in participating in the program.)

Fence Removal Contract. S. Repasch presented a contract with Forest Regeneration Services to remove the deer fencing at the Hyspie Gap Road timber project site at a cost of \$5,495.70. The fencing, which was erected in 2007 after the shelter wood cut, is no longer needed since the final regeneration cut in 2012/2013.

J. Tallarico moved to approve the contract with Forest Regeneration Services to remove the deer fencing as presented. J. Abel seconded. Motion passed unanimously.

Eventually, fencing will need to be removed from three other stands. Going forward, there will likely be no new deer fencing erected.

Wind Energy Project. S. Repasch reported Iberdrola's application to the PJM grid was accepted and they had a kick-off meeting to begin the evaluation process. The met tower data being collected will not be evaluated until the Fall.

East Allen Township Property Tax Issue. S. Repasch reported the Authority received real estate tax bills from Northampton County for the ten properties acquired from the EATMA acquisition. J. Broughal explained that the properties were previously exempt but that status went away when the properties changed ownership. The Authority is responsible for the real estate and school taxes for this year. He suggested writing a letter to East Allen and Allen Townships asking for tax forgiveness.

The fee to apply for exempt status is \$100 per parcel and there will also be a hearing.

PPL Right-of-Way Agreement. S. Repasch reported that PPL is upgrading its service and needs to change out 30 poles situate on Authority property along Long Pond Road. PPL's proposed right-of-way agreement has been reviewed and approved by J. Broughal, who suggested negotiating some compensation from PPL to cover the Authority's costs. PPL's response indicated that compensation is not something they are considering.

J. Tallarico moved to approve the right-of-way agreement with PPL as presented, conditioned upon the Executive Director negotiating a minimum amount of \$500 from PPL for the right-of-way. J. Abel seconded. Motion passed unanimously.

Class Action Lawsuits. S. Repasch reported that the Authority received class action lawsuit notices involving Bank of American and GE Funding for municipal derivative transactions between January 1992 and August 2011. J. Broughal said these are blanket notices and the Authority may or may not be a party of the classes. However, there is no action required to stay in the class and no reason to opt out of the class.

1st Quarter 2014 Income/Expense Projections. The 1st Quarter 2014 Income/Expense Projections report was circulated and filed.

Expense Budget Comparative. The Expense Budget Comparative for the month ended January 31, 2014 was circulated and filed. S. Repasch noted there is a new page included in the comparative to track revenues. With regard to the Consulting Engineer's Annual Report, V. Gower queried if the language in the report on the financial condition of the system will be modified and if there is a deadline on issuing the report. S. Repasch responded there will likely be some additional comments, and other than annually, there is no time requirement specified by the Trust Indenture to issue the report. The City needs to provide the year end data that is reported in the Tables. With regard to the arbitrage issue, there is one more invoice expected from PRAG. When that is paid, the remaining funds will be returned to the arbitrage account at BNYMellon.

CONTROLLER REPORT

The Controller's Report for the month of January, 2014 was circulated and filed.

Resolution 361 – Approval of Expenses. V. Gower presented Resolution 361 to the Board in the total amount of \$157,672.25 for the payment of administrative, professional and water capital expenses. S. Repasch noted there will be ~\$86,000 remaining in the BRIF to use toward water capital before the \$2.2 million minimum threshold is reached.

J. Abel moved to approve Resolution 361. J. Tallarico seconded. Motion passed unanimously.

Resolution 362 – Additional Account Signer. S. Reppert presented Resolution 362 to the Board, which authorizes J. Abel as an additional account signer on the Authority's bank accounts, including but not limited to National Penn, Embassy and Team Capital Banks.

J. Tallarico moved to approve Resolution 362. V. Gower seconded. J. Abel abstained. Motion passed.

CD Ratification. S. Reppert presented the following investment, approved via email, for ratification:

- \$250,000 with ESSA Bank and Trust for 12 months @ .45%

J. Tallarico moved to ratify the approval of the CD investment with ESSA Bank and Trust. J. Abel seconded. Motion passed unanimously.

SOLICITOR

None.

CONSULTING ENGINEER

The Consulting Engineer's report for December, 2013-January, 2014 was circulated and filed.

(L. Hackett entered the meeting at 5:10 PM)

SPECIAL POLICE

D. Meixell's report for the month of February, 2014 was circulated and filed. He mentioned that he, S. Repasch and the Game Commission did a hike behind Recreation Village to prep for the upcoming prescribed burns. Several dumping encroachments were found and will be addressed. Fliers about the burning activities were handed out to property owners in the area. PPL is working on some power lines through Penn Forest off of Hatchery Road. They were bringing in equipment before the Authority was notified of the work in the area. There was an attempted break-in at the Bowmanstown Sewage Treatment Plant, which is near Wild Creek. A motive is not known at this time.

WATER REPORT

The water report for January, 2014 indicated the reservoirs are at 95% capacity.

CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES

E. Boscola provided a written report to the Board that outlined the financial status of the utility through January and the significant projects planned for 2014, mainly distribution system upgrades. Next month he will provide a report on the condition of the distribution system due to the increase in the number of line breaks this winter.

L. Hackett queried why these projects are on the report and not all. E. Boscola responded that these are significant one-time capital projects, while the others are considered routine.

J. Abel queried the condition of the sewage system infrastructure. E. Boscola responded the sewage system is old and there is a capital improvement program in place to upgrade the plant. The sewage infrastructure is probably in the same condition as the water infrastructure. The Utility Maintenance Department has a leak detection program, an I & I program, and other programs that are utilized for both water and sewer.

(D. Brong entered the meeting at 5:20)

OTHER BUSINESS

None.

COURTESY OF THE FLOOR

None.

NEXT MEETING

The next Board meeting is scheduled for March 13, 2014 at 4:00 PM.

ADJOURNMENT

J. Tallarico moved to adjourn the meeting. J. Abel seconded. Motion passed unanimously and the meeting adjourned at 5:25 PM.

John H. Abel, Assistant Secretary